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Prepared Statement of

**George C. Seybolt, Chairman
National Museum Services Board**

before the

**Senate Subcommittee on Education,
Arts, and the Humanities**

June 28, 1979

Mr. Chairman, before I begin, I would like to say for the record that your leadership in the Senate is responsible for the Federal government playing its rightful role in our nation's cultural affairs.

Last year, there were nearly half a billion visitors at our nation's museums. The knowledge they took away and the experience they had were enhanced because of your efforts over many years. We all owe you a vote of thanks.

As Chairman of the National Museum Services Board (NMSB) which is the policy-making body of the Institute of Museum Services (IMS), located in the Department of Health, Education, and Welfare (HEW), I am proud and gratified to be here today. I have served in this role since IMS began one and a half years ago. The Board, which also was designated at that time, is broadly based within the museum community.

It is a pleasure to appear before the Committee which gave us the opportunity to demonstrate what a contribution Federal assistance could make to the effective operation of this nation's diverse museum community.

We believe that the long-term approach to operations that we have developed ensures sound operations. We have gone through a careful process since the beginning to establish the Institute so it could have the most favorable impact on this nation's museums. We realize that doing things on an ad hoc basis could minimize the Federal contribution. We are satisfied that we are developing coherent plans to channel resources to institutions that make much use of them, both in operating day to day and in finding local sources of revenue.

Not only do I sit on the Board as Chairman of the NMSB, but I also view our activities through the perspective of one who served for many years as Chairman of the Trustees Committee of the American Association of Museums. In that role, I saw the day-to-day problems of museums and people who care about them, and I saw the growing response of the public to museums.

As a former Chairman of the Boston Museum of Fine Arts, I can testify that IMS has not encroached on the prerogatives of local museums, nor has it created unrealistic reliance on the Federal government—a fear expressed by the Nixon Administration in discussing this legislation. General operating support provides maximum flexibility with minimum interference.

Your have heard from Mr. C. Douglas Dillon, a valued member of the National Museum Services Board, and from Mrs. Lee Kimche, the Director of the Institute of Museum Services, which acts as the operational arm; and the National Museum Services Board, in accordance with the legislation, has been acting as a policy arm. In order not to repeat ourselves, we have each agreed to discuss certain areas of reauthorization. My area will consist largely of observations on how the present legislation and activities are functioning and to make further observations with regard to future activities which have yet to be determined but which appear on the horizon. This is in light of the fact that we are talking of up to five years reauthorization, and these comments are given in that light for any guidance that may be valuable to the Chairman, committee and staff in considering changes in the legislation.

First of all, let me say that we have found ourselves to be in a very large department of an enormous government, and fears of being lost and submerged had been anticipated in part by our assignment to the Secretary's Office, a position which we would like to have continued in any contemplated changes to a Department of Education. With the current Education Bill we would not be at this level. Secretary Califano, Undersecretary Champion and Assistant Secretary Berry have taken an interest in us and given us support, which is above the routine of running a big department. The Secretary, the Undersecretary and the Assistant Secretary have more than once evidenced their positive regard for our function and have expressed a belief that ours is a function that can be anticipated to grow. On their own, and

without prompting, from the first year through to the current one, they have expressed this attitude in concrete terms by the budget allocated to us. We would not be out of order at all to express our thanks for this and our belief that they have given us extraordinary attention and support.

This positive statement of appreciation of the support of the management of the Department of HEW is a preface to the comments that follow. It is a department which has been in the grant-giving business for a long time. It is a department that has been beset by litigation of various sorts, and it is a department that has learned how to efficiently move through it great quantities of various kinds of grants and do so with full consideration of the grantees as well as the protection of the Federal government and the realization of its objectives. However, it is a department that, for the most part, has been dealing with long established institutions, with professional associations, accreditation and highly developed standards of bookkeeping and accounting and buttressed with central representation by associations in the different fields and levels of education, welfare, social services and so on. This has produced a very monolithic and rigid series of procedures in the establishment of terms of grants, the giving of grants, the application for grants, their review, granting, a grant itself and dispensation.

The advent of a very small agency in this department was a good thing from the viewpoint of being able to profit from their experience, and on balance it has been helpful. However, there are signs that problems will develop from the viewpoint of the Congressional vision of the basis for grants and the routine.

I refer specifically to the fact that by and large HEW's grants are given on a quantitative basis of reference and review. They are made as objective as possible, and because of the body of knowledge and practice which has developed in HEW over the years, this has become a standard in which the various programs fit as in lockstep.

The problem arises from the fact that the standards in our field have been set by the Endowments of Arts and Humanities with criteria necessitated by the stage of development of the field, in this case museums. There have not been trade associations' or professional associations' representatives, nor has there been broad use of the accreditation procedures, nor have there been strong representations before Congress or in the HEW itself by the various associations of the museum field. The result is that the Endowments produce standards for grants largely on what has been termed a "quality basis" and in turn the "quality," which is a very subjective word, has been determined by the judgment of peers. This has necessitated people reviewers to have an intimate knowledge of the field. It also makes quality determinations from peer opinion. It has worked well for the Endowments, and the field by and large has had very little trouble with them after becoming accustomed to and understanding both the grant application procedures and the rules. I think that it can be judged a success and has often been spoken of as "the heart of the Endowments' system."

Now to refer to the HEW process which does not lend itself to this procedure. This year there were 1,700 applications and 99 people to read them in the first instance. The inability to get the 99 together in any single group to compare their decisions means that there is a variation in results from group to group, and there is a tendency toward statistical rating in order to compare groups. Because it was natural and inevitable that the groups will tend to come up with different results, there comes into being a sort of computer override to massage the figures and to produce some kind of commonality removing the extremes or the aberrations.

This begins to produce an entirely different effect on the results. It is an effect that will probably be enhanced as the number of applications increases. With only perhaps 20% of the possible applicants (in only our second year of operation) receiving grants, the differences are microscopic at the cutoff point between those who are receiving and those who are not, and it is highly arguable whether the difference

between say number 300 and number 400 on the ladder can really be distinguished on a non-direct knowledge basis. Also, the people practicing the grantsmanship must necessarily have a different viewpoint in application and presentation when they know they are writing to a group that will have some personal knowledge of their financial, physical, professional and other situations or are having the review done by essentially statistical means. This is exacerbated, I believe, by the fact that an entirely new group of grant applications are coming into being from smaller institutions and institutions that have not received grants and that have their own problems in organizing themselves to apply for, and deal with, the voluminous material necessary to satisfy HEW's requirements and yet produce a complete grant application which conveys a distinct picture to a reader.

I am told that our 1,700 grant applications in this our second year represent 10% of the total grants of the Department of Health, Education, and Welfare. The pressure then comes on to increase the size of the grants in order to reduce the number. This is an alien philosophy to the National Museum Services Board who purposely put a \$25,000 limit on the grants, the first two years at least, for the purpose of spreading the funds more widely to the field and of making more organizations eligible. With better than 5,000 institutions eligible, we can easily see the day coming when we will get 3,000 to 4,000 applications a year, and the selectives and choices between each will be a difficult to impossible job.

This is not to be critical of HEW's procedures. We have the impression that they are satisfactory to people in other fields and that they have been developed and refined to a high point resulting from experience and accomplished administration.

However, the problem is that the word quality as associated with federal grants is hard to deliver under the circumstances. If a legislative requirement was made that quality be a high part of the criteria, we anticipate that it would be necessary to set up a special way of handling grants resembling the Endowments' panels. Should this

occur, it would be my rough estimate that another \$1 million would be needed for administrative costs associated with getting a much larger group of panelists together more nearly resembling the Endowments' multiplicity of panels with travel and other expenses. The very sharp increase in cost would be charged to this program because it would be a special program within HEW and would not really be applicable to other situations. The economy of scale of HEW's current program and routines would necessitate drastic changes and certainly substantial additional costs. Let me say, however, that this would probably be true wherever we were located, although the degree of additional expense could be less in other circumstances because of duplication within HEW. My concern in this is not so much the mechanical part of it, as it is the tendency towards requiring objective criteria and the use of numerical ratings instead of peer judgment. This is going to be very difficult to apply to a field as individual and varied as we find in our charge, running from aquaria to zoos with science, history and art in between. The comparability problem is one that seems to me very difficult. We are waiting to see where we will finally come to rest in the near future so that we can review this problem, but at the moment because of lack of funds and our current placement in HEW, we must accept their criteria.

My colleagues now sitting before you, as well as those who will be further appearing, I'm sure will talk at length about the funding problems, and I would like to deal with them generally, while I am sure they can give you their own specific problems and I hope that they will. It looks very much as though the figure that I have used for several years of about a billion dollars annual operating expense for the museums in the United States is very close. As mentioned by others, museums are labor intensive with about two-thirds of our budgets going for wages. We are also very heavy users of volunteers - perhaps the last remaining bastion for large consumption of the hours of these fine citizens. With this as a fact we are, therefore, subject to inflation; and if we are talking about a modest inflation figure of 7 or 8% a year, we

are talking about adding to the national museum budget something in the order of \$70 or \$80 million a year if we provide the same services. Unfortunately, the demand is not for the same services but for those, plus new and broadened ones — for education, community activities, specialized programs for minorities.

Add to that the cost of the Federal programs for improvement of service and facilities for the handicapped.

Add to that the fantastic increase of cost and energy for institutions that really have no choice in their obligations to conservation but to maintain constant climate control.

Then one can see that museums, in any case extraordinarily sensitive institutions, are more than affected by national decisions in policy or legislation. The cumulative effect on these institutions if they are to maintain their programs can't be less than \$100 million a year in additional costs over the last few years.

Those testifying today will advise you that they can't begin to maintain their services, let alone increase them, while serving legislated national programs and mandated rulings without cutting down and reducing very substantially their current programs. With a growth of about \$100 million a year in expenses to be anticipated and with the inability to provide this, the current funding to museums from the different Federal funds can't be much more than \$40 million a year. Such programs as CETA that go and come are tantalizing and not at all a solution to the problem. The very pleasant growth of the IMS budget is encouraging, but we must respectfully comment that it is a losing battle to operate in the museum field today, and we are losing the battle by important money — by tens of millions of dollars. In anticipation of accelerated growth of appropriations it would be wise to set larger increases in authorization ceilings.

One of the great reasons for allowing flexibility in using resourceful policies and programming activities is the fact that we badly need to provide services to the

museum field. For that reason we will ask your committee to consider the possibilities of allowing us to make grants to organizations other than museums, something we can't do now. In most fields there is a high concentration among a few organizations which dominate the field. This has some advantages in that these large organizations have the resources to do basic development and research and then to apply it to their activities, usually followed by the smaller organizations. There is no dominating organization in the museum field, and there is a tendency for everybody to reinvent the wheel all at the same time. By identifying problems that are common to all and making grants to a single organization or organizations which have the experience, whether they are museum organizations, allied organizations like museum associations, or perhaps non-profit as well as profitmaking, to study problems and attempt to come up with solutions which would benefit the whole field, such as security, insurance and personnel training, printing of catalogs, transportation of collections, etc. would be of benefit and applicable across a wide range of museums. I can think of two items which might be mentioned here which have brought benefits to the field. One is the arts and article indemnity operate. The savings - without really costing anybody anything - are an extraordinary order of value. That was accomplished by using a pattern essentially developed abroad by foreign nations where the collections were owned by the nation and it did not wish to waste its money by utilizing profitmaking organizations to underwrite them. Another example is the standardization of museum accounting, and that was accomplished by enlisting a professional association in the museum field along with a professional group in the accounting field by means of grants made to them. We see many opportunities to do this and then support the results with publication seminars and other methods to disseminate thus allowing the aggressive and alert museum director to apply them to his own situation. Dollar for dollar this is one of the best investments we can see ahead and would let us avoid building a bureaucracy. The Board has taken the view that we are a grantmaking body, but the

desire to deal with common problems and their solutions will reduce costs and thus reduce need for grants.

In our short existence we have found there is an appropriate role for the Federal government to play, and we thank you for having had the foresight to create our function.

The comments that I have made in my comments reflect our belief in the manner that we can do our part to support and enhance the objectives you originally established.

We look forward to that.